Rwanda : Digital Acceleration Project (Digital Investment for Recovery, Resilience and Connectivity)

1. Project Information

Project ID:	P000462	Instrument ID:	L0462A
Member:	Rwanda	Region:	Eastern Africa
Sector:	CRF-Economic Resilience/PBF	Sub-sector:	N/A
Instrument type:	☒Loan:86.50 Euro million ☐Guarantee	Lead Co-financier (s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance and Economic Planning, Rwanda
Implementing Entity:	Rwanda Information Society Authority; Development Bank of Rwanda (BRD)		
Project Team Leader:	Hyun Sang Shin		
Responsible DG:	Najeeb Haider		
Responsible Department:	BNK2		
Project Team Members:	Guoping Yu, OSD - Procurement Specialist; Shodi Nazarov, OSD - Financial Management Specialist; Marcin Sasin, Economist; Liu Yang, Project Counsel; Duran Moy, Alternate Counsel; Xinchen Zhang, OSD - Environment Specialist; Jinwen Ye, Back-up PTL; Zeheng Li, Project admin		
Completed Site Visits by AIIB:	Mar, 2022 Conducted a Rwanda digital Acceleration Project Mission lead by the World Bank. Completed a cross-functional review. Obtained update on studies. Obtained finalized project manuals. Seeking revised disbursement schedule in light of studies. The initial studies are funded from a World Bank grant. These studies will be completed prior to AIIB's first disbursement request. Sep, 2022 Attended select sessions during WB project implimentation mission. Feb, 2023 World Bank conducted on-site mission in February 2023, while AIIB joined sessions virtually, including the Project Team, and Environmental, Social and Procurement specialists, for their respective sessions. Nov, 2023 World Bank conducted on-site mission in November 2023, while AIIB joined sessions virtually, including the Project Team, and Environmental, Social and Procurement specialists, for their respective sessions.		
Planned Site Visits by AIIB:	Nov, 2023 Virtual/physical implementation progress review Mar, 2024 Virtual/physical implementation progress review Sep, 2024 Virtual/physical implementation progress review,Virtual/physical implimentation progress review Mar, 2025 Virtual/physical implementation progress review Sep, 2025 Virtual/physical implementation progress review Mar, 2026		

	Virtual/physical implimentation progress review Sep, 2026 Virtual/physical implimentation progress review Mar, 2027 Virtual/physical implimentation progress review
Current Red Flags Assigned:	0
Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	0
Previous Red Flags Assigned Date:	2023/10

2. Project Summary and Objectives

To support Rwanda's short and long-term recovery from the pandemic, and resilience to future pandemics, through investment in digital access, digital public service delivery, and digital innovation and entrepreneurship. The Project is a major national, multi-sector, whole-of-government digital-acceleration initiative centered on: 1) Expanding digital adoption and access, by promoting digital access opportunities through last- mile connectivity, affordable smart devices, and broad-based digital skills acquisition; 2) Enhancing digital public service capabilities (particularly in health and education sector) and productivity, by strengthening the national ID system, equipping the government with the ability to deliver securely more quality data-driven solutions, and enabling transactional e-services in key sectors; and 3) Increasing Rwanda's capacity to support digitally enabled innovation and productivity-gains, by strengthening the local digital innovation and entrepreneurship ecosystem, supporting tech firms to move from startups to growth and by developing Rwanda's digital human capital.

3. Key Dates

Approval:	Dec. 16, 2021	Signing:	Dec. 23, 2021
Effective:	Apr. 22, 2022	Restructured (if any):	
Orig. Closing:	Dec. 31, 2026	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	11.39	Latest disbursement (amount/date):	6.31/Mar. 21, 2024
Undisbursed:	75.11	Disbursement Ratio (%)[1]:	13.17

5. Project Implementation Update

Overall implementation progress remains Moderately Satisfactory. As of March 31, 2024, disbursements of US$12.96 million and US$12.37 million had been made for IDA and AIIB, respectively, resulting in an overall disbursement of US$25.23 to date with a total disbursement rate of 13.17%. Overall implementation progress and progress IS rated as 'Moderately Satisfactory'.

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[1] Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

The project is now nearing the 2-year mark, it will be important to ensure the signature of key contracts that put the project on a clear path toward achieving expected results. Many activities are now under procurement and/or shortly due to be launched, and the project is thus expected to disburse upwards US$50million this fiscal year, on the back of key contracts signed and delivered – notably related to ID, e-services and last-mile connectivity.

The Project is also expected to undergo a non-material change with respect to sub-component 3.2, which will:
- Change the financing modality from scholarship to student loans, in order to increase the sustainability of the scheme, even after Project completion;
- Broaden the eligible activities under the Sub-component to allow undergraduate and graduate studies under, and highly specialized digital training, in addition to PhD studies; and
- Change in institutional arrangement, and also involve Higher Education Council (HEC) to coordinate activities related to student loans and bursaries for higher learning education.

The non-material change is expected to come into effect in Q2 2024.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1 (Digital Access and Inclusion) continues to require focused efforts to ensure the launch of planned connectivity contracts and launch of the Device Access Fund. Government is encouraged to (i) swiftly launch large contracts for international and domestic connectivity, as well as supporting equipment, based on bidding document being finalized; and (ii) continue working with the Bank to close on the design of proposed financing windows under the Device Access Fund, with a view to launching both by the end of	N/A	N/A	Focused efforts are required to ensure the launch of planned connectivity contracts. Government is encouraged to (i) swiftly launch large contracts for international and domestic connectivity, as well as supporting equipment, based on bidding document being finalized.

February 2024.			
Component 2: Digital Public Service Delivery Good progress on contracting continues to be registered under Component 2 (Digital Public Service Delivery), and it will be important to maintain this moment to ensure delivery. Government is encouraged to (i) swiftly launch procurement of the core Single Digital ID system, based on final revisions to bid documents, as well as supporting ABIS and AMBAS systems, to remain on track to meet targets for ID roll-out – by the end of January 2024; (ii) ensure timely delivery of the data hub design assignment by the end of March 2024 to allow for the launch of downstream procurement; (iii) proceed with the Computer Security Incident Response Team and Security Operation Center (CSIRT-SOC) assessment; and (iv) launch procurement of pending e-service tenders and onboard contractors due to work on the Irembo platform upgrade by the end of	N/A	N/A	Good progress on contracting continues to be registered, and it will be important to maintain this moment to ensure delivery. Government is encouraged to (i) swiftly launch procurement of the core Single Digital ID system, based on final revisions to the tender documents, as well as supporting ABIS and AMBAS systems, to remain on track to meet targets for ID roll-out – by the end of January 2024; (ii) ensure timely delivery of the data hub design assignment by the end of March 2024 to allow for the launch of downstream procurement; (iii) proceed with the Computer Security Incident Response Team and Security Operation Center (CSIRT-SOC) assessment; and (iv) launch procurement of pending e-service tenders and onboard contractors due to work on the Irembo platform upgrade by the end of March 2023.

March 2023.			
Component 3: Digital Innovation and Entrepreneurship Progress is now also registered in relation to Component 3 (Digital Innovation and Entrepreneurship), but a push to launch early-stage financing and ecosystem support services (ESO) for start-ups is still needed. Attentions are now focused on launching an ESO program pilot by the end of December, 2023 and the grant financing window for start-up early in the new year. However, further work is still needed to complete the early-stage financing manual by the end of January 2024. Good progress is being made in relation to the RCA, and the planned restructuring for student loans for advanced digital skills degree programs has now been completed on the Bank side (approved on January 4, 2024). However, Government is yet to propose a way forward for training bootcamps in advanced digital skills, and the acceleration program for start-	N/A	N/A	No procurement during the reporting period.

ups and is thus encouraged to revert to the Bank on a proposed way forward by the end of January 2024. A non-material change is proposed for Subcomponent 3.2, which is expected to come into effect in Q2 2024, the changes proposed include: 1) Change the financing modality from scholarship to student loans, in order to increase the sustainability of the scheme, even after Project completion; 2) Broaden the eligible activities under the Sub-component to allow undergraduate and graduate studies under, and highly specialized digital training, in addition to PhD studies; and 3) Change in institutional arrangement, and also involve Higher Education Council (HEC) to coordinate activities related to student loans and bursaries for higher learning education.			
Component 4: Project management (PM) 1) Project Steering Committee (PSC). A representative from the Private Sector Federation	N/A	N/A	Project management (PM). PIU staffing. (i) As of now, it was noted that 13 out of 16 RISA SPIU staff members have now been onboarded. Moreover, the Legal Specialist and Social Specialist positions are currently both at the

has been identified and formally appointed. 2) Annual Work Plans and Budget (AWP&Bs) and training plans. It was agreed that RISA and BRD will update their respective AWP&B to reflect mission discussions and share these with the WB for review by the end of March. 3) PIU staffing. As of now, it was noted that 13 out of 16 RISA SPIU staff members have now been onboarded. Moreover, the Legal Specialist and Social Specialist positions are currently both at the contract negotiation stage. 4) Other PM services and related issues. The WB has reviewed initial ToRs for a firm that will provide cross-cutting communication services.			contract negotiation stage. (ii) Other PM services and related issues. The WB has reviewed initial ToRs for a firm that will provide cross-cutting communication services.

Financial Management:

The AM of the last mission in November 2023 indicated that the following areas require attention: (i) the project had a large undocumented advance of EUR 5,082,136 under AIIB Loan and EUR 5,082,136 under IDA 70000. On February 27, 2024, the undocumented amount for AIIB Loan was reduced by EUR 1,422,281.50 and stood at EUR 3,659,854.50. On March 21, 2024 another advance for EUR 6,312,723 was released by AIIB. As a result, the total undocumented advances for AIIB Loan reached EUR 9,972,577.50; (ii) close follow-up of budget execution and overall disbursement to ensure that ambitions targets for this FY are met; (iii) introduction of measures to

ensure timely submission of IFRs to the WB, given minor delays incurred in the submission of the last IFR; (iv) ensure that an Internal Audit is conducted on project activities (since project effectiveness) and submitted to the WB by the end of December 2023; and (v) timely submission of quarterly budgets for the FY 2023/2024, together with the IFR for the quarter ending December 31, 2023. The AIIB project team has not received any updates on the progress of the above-mentioned concerned areas.

The DFIL is not updated to reflect the AIIB loan and its arrangements. AIIB has not received copies of submitted IUFRs (the AIIB project team only received confirmations from the WB that IUFRs for 4Q2022, 1Q2023 and 2Q2023 are submitted on time and are found to be acceptable to the WB). There is no information on whether the Client submitted IUFRs for 3Q2023 and 4Q2023. The project audit for RISA for the period ending June 30, 2023, was supposed to be submitted by December 31, 2023. However, despite our repetitive reminders, the WB and the Client did not submit it to the AIIB on time. Only in April 2024, the FMS was able to download the audit report from the WB website. The management letter for the respective audit is still overdue for the last four months. The project audit for BRD for the period ending December 31, 2023, is not yet due and is expected to be submitted by June 30, 2024. In general, the communication on IUFRs and audits between the co-financing MDBs is not good and requires attention from both MDBs.

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6. **Status of the Grievance Redress Mechanism (GRM)**

The SPIU-level GRM is in place at RISA and an activity-specific GRM for the DAP has been established.

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7. **Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

No real activities have commenced and hence no progress on indicators are reported this period.

Remarks:

ASIAN INFRASTRUCTURE INVESTMENT BANK

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values													Frequency	Responsibility	Comments
			Baseline		2021		2022		2023		2024		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Broadband penetration rate (mobile + fixed)	Project	%	2021	19.34	19.34									31				
Mobile broadband penetration rate	Project	%	2021	19.2	19.2									30				
Fixed broadband penetration rate	Project	%	2021	0.14	0.14									1				
Broadband penetration rate (mobile + fixed) - of which percentage are female	Project	%	2021	0	0									40				
Fully transactional G2P, G2B and G2G e-services that are introduced, upgraded or enabled	Project	#	2021	0	0									30				
Digital start-ups supported creating and/or leveraging a digital technology solution	Project	#	2021	0	0									140				
Digital start-ups supported creating and/or leveraging a digital technology solution - of which percentage are female owned	Project	%	2021	0	0									30				

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values													Frequency	Responsibility	Comments
			Baseline		2021		2022		2023		2024		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Beneficiaries that receive support under the smart device financing scheme	Project	#	2021	0	0									250000				
Beneficiaries that receive support under the smart device	Project	%	2021	0	0									50				

financing scheme - of which percentage are female beneficiaries - of which percentage are female beneficiaries																				
Beneficiaries that receive support under the smart device financing scheme - of which percentage are female beneficiaries - of which percentage are beneficiaries in rural areas	Project	%	2021	0	0										30					
People trained in digital literacy	Project	#	2021	0	0										3000000					
People trained in digital literacy - of which percentage are female	Project	%	2021	0	0										40					
Additional internet access points established (connected government offices, schools, hospital, and marketplaces etc.)	Project	#	2021	0	0										2500					
Additional internet access points established (connected government offices, schools, hospital, and marketplaces etc.) - Of which percentage are in rural areas	Project	%	2021	0	0										75					
Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent)	Project	%	2021	0	0										75					
Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent) - of which percentage are female	Project	%	2021	0	0										40					
Population enrolled and issued a new digital ID credential (either a physical card or a virtual equivalent) - of which are children (<16 years old)	Project	%	2021	0	0										50					
Cybersecurity standards, compliance	Project	Y/N	2021	No	No										Yes					

and audit framework published																		
Public sector officials trained in digital skills	Project	#	2021	0	0									600				
Start-ups supported through the Project	Project	#	2021	0	0									300				
Graduates from specialized digital skills training employed or in education within 12 months after completion	Project	%	2021	0	0									75				
Graduates from specialized digital skills training employed or in education within 12 months after completion - of which percentage are female	Project	%	2021	0	0									35				